

No. 15454

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

PACIFIC CAGE AND SCREEN Co., a corporation; PET
DEALERS SUPPLY COMPANY, a corporation; MER-
CHANTS PET SUPPLY COMPANY, a corporation; and
JOHN MIDDELKOOP,

Appellants,

vs.

CONTINENTAL CAGE CORPORATION, a corporation,

Appellee.

APPELLEE'S BRIEF.

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TOPICAL INDEX

	PAGE
Summary of argument.....	1
Argument	3
I.	
A preliminary injunction was proper in the premises.....	3
A. Irreparable harm was being done to appellee by appellants	3
B. The court had before it adequate evidence to support its grant of injunctive relief.....	4
II.	
The infringement of the patent was of a most flagrant and obvious nature	4
A. The court had before it all of the evidence pertaining to infringement	4
B. Appellant makes no attempt to deny infringement.....	5
C. The slavish imitation by appellant is the criterion of the merit of the invention of the patent.....	5
III.	
The patent is valid.....	6
A. The design of the patent is new, original, and ornamental	6
B. The prior art cited by appellant fails to anticipate the design	7
C. The evidence supports Herman as the inventor of the design	7
D. The general proportions and appearance of the design are nonfunctional	7
IV.	
The bond required of appellee was adequate in the premises....	8
V.	
The preliminary injunction was aptly worded in the light of the patent to which it applied.....	8
Conclusion	9

TABLE OF AUTHORITIES CITED

CASES	PAGE
Kurtz v. Belle Hat Lining Co., 280 Fed. 277.....	5
Laskowitz v. Marie Designer, Inc., 119 Fed. Supp. 541.....	6
LeBaron v. L. A. Bldg. & Construction Trades Council, 84 Fed. Supp. 629.....	4
Otto v. Koppers Co., Inc., 114 U. S. P. Q. 188.....	5
Robert W. Brown & Co., Inc. v. DeBell, 113 U. S. P. Q. 172....	5
Ross-Whitney Corp. v. Smith, Kline and French Labs., 207 F. 2d 190.....	3, 4, 8
Urban v. Knapp Bros. Mfg. Co., 217 F. 2d 810.....	8

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APPELLEE'S BRIEF.

Summary of Argument.

I.

A PRELIMINARY INJUNCTION WAS PROPER IN THE
PREMISES.

A. Irreparable harm was being done to Appellee by
Appellants.

B. The Court had before it adequate evidence to sup-
port its grant of injunctive relief.

II.

THE INFRINGEMENT OF THE PATENT WAS OF A MOST
FLAGRANT AND OBVIOUS NATURE.

A. The Court had before it all of the evidence pertaining to infringement.

B. Appellants make no attempt to deny infringement.

C. The slavish imitation by Appellants is the criterion of the merit of the invention of the patent.

III.

THE PATENT IS VALID.

A. The design of the patent is new, original, and ornamental.

B. The prior art cited by Appellants fails to anticipate the design.

C. The evidence supports Herman as the inventor of the design.

D. The general proportions and appearance of the design are nonfunctional.

IV.

THE BOND REQUIRED OF APPELLEE WAS ADEQUATE IN
THE PREMISES.

V.

THE PRELIMINARY INJUNCTION WAS APTLY WORDED
IN THE LIGHT OF THE PATENT TO WHICH IT AP-
PLIED.

ARGUMENT.

I.

A Preliminary Injunction Was Proper in the Premises.

A. Irreparable Harm Was Being Done to Appellee by Appellants.

There is no question whatsoever in this case that the Appellee was being irreparably harmed by the actions of Appellants since, as pointed out by Joseph H. Babros, President of Appellant Pacific Cage and Screen Co. [R. 72-73], his company had gross sales of the infringing "Coronado" cages during 1955 in the neighborhood of \$150,000.00. The ruthless and utter disregard of Appellee's rights under the patent obviously was profiting, and is profiting, the Appellants to the great harm of the Appellee.

In *Ross-Whitney Corp. v. Smith, Kline and French Labs.* (C. A. 9, 1953), 207 F. 2d 190, 199, this Court held that an injunction may be granted to prevent irreparable injury and certainly the extent of infringing sales made by the Appellant Pacific Cage and Screen Co. in one year is a criterion of the harm being done by said Appellant to Appellee. In the course of such extensive sales, Appellant Pacific Cage and Screen Co. was irreparably destroying the business of the Appellee and Appellee's poor financial position, referred to [R. 72-73], was largely due to the overwhelming competition of Appellant Pacific Cage and Screen Co.

B. The Court Had Before It Adequate Evidence to Support Its Grant of Injunctive Relief.

The record is replete with alleged prior art constructions and the Court had before it all of these prior art constructions and the affidavits in support thereof when the motion for preliminary injunction was heard. The injunction was properly granted upon such evidence. (*Ross-Whitney Corp. v. Smith, Kline and French Labs., supra.*)

II.

The Infringement of the Patent Was of a Most Flagrant and Obvious Nature.

A. The Court Had Before It All of the Evidence Pertaining to Infringement.

At the hearing on the motion for preliminary injunction, the Court had before it the structures shown at page 98 of the record and also had before it a copy of the design patent No. 177,326. The Court was thus in a position to determine, in the light of the patent and in the light of the alleged infringing structures, whether the alleged infringing structures embodied the design of the patent. Such a determination can be made by a Court as an ordinary observer and no further analysis of the infringement is necessary.

The granting of the preliminary injunction after such determination by the Court was primarily a matter of discretion for the Court. (*LeBaron v. L. A. Bldg. & Construction Trades Council* (U. S. D. C. S. D. Cal., 1949), 84 Fed. Supp. 629, 634.)

B. Appellants Make No Attempt to Deny Infringement.

It is noted that Appellants have made no attempt to deny infringement of the patent in issue and the reasons for such failure are manifest. Seldom does such a slavish imitation of a patented design and such lack of ingenuity in attempted modification come before a court. The designs of the infringing structure and of the patent are substantially identical. Such identity was a sufficient basis for the Court to rule in Appellee's favor on the motion for preliminary injunction.

C. The Slavish Imitation by Appellants Is the Criterion of the Merit of the Invention of the Patent.

It has been repeatedly held that a defendant's imitation of a patented device or structure can be taken as evidence of invention as stated by Judge Hough in *Kurtz v. Belle Hat Lining Co.* (2 Cir.), 280 Fed. 277, 281:

"The imitation of a thing patented by a defendant, who denies invention, has often been regarded, perhaps especially in this circuit, as conclusive evidence of what the defendant thinks of the patent, and persuasive of what the rest of the world ought to think."

See also:

Otto v. Koppers Co., Inc. (C. A. 4, 1957), 114 U. S. P. Q. 188;

Robert W. Brown & Co., Inc. v. DeBell (C. A. 9, (1957), 113 U. S. P. Q. 172.

III.

The Patent Is Valid.

A. The Design of the Patent Is New, Original, and Ornamental.

Not a single one of the allegedly pertinent prior art references anticipates the design of the patent in suit. Appellants rely particularly heavily upon various types of prior art bird cages such as those shown in the record at pages 111 to 113 and other cages shown in the record at pages 101 through 106, but it is interesting to note that at the present time, with the threat of the infringement action over their heads, Appellants have not switched their manufacture to the cages of the prior art, but have, instead, posted a One Thousand Dollar bond to stay the enforcement of the preliminary injunction so that they may continue to manufacture and sell cages of the design of the patent. This, in itself, is a tribute to the inventive advance of the design of the patent over the prior art cited by the Appellant.

Furthermore, as stated by Judge Yankwich in *Laskowitz v. Marie Designer, Inc.* (D. C. S. D. Cal.), 119 Fed. Supp. 541, 544:

“Patentability exists if the design looked at as a whole (le tout ensemble) gives a pleasing impression. Of course, the result must come from the exercise of the inventive faculty. If these elements are present it is not material that the design may embody a regrouping of familiar forms and decorations.”

B. The Prior Art Cited by Appellants Fails to Anticipate the Design.

The Appellants have relied particularly heavily upon a bird cage shown at page 98 of the record and allegedly manufactured by one, Robert Kleid. That there are substantial distinctions between the appearance of the design of the patent and the design allegedly conceived by Robert Kleid is manifest from a cursory review of the photographs at page 98 of the record and it is, once again, interesting to note that the Appellants have not attempted to manufacture the design allegedly conceived by Robert Kleid but continue to manufacture and sell the design of the patent.

C. The Evidence Supports Herman as the Inventor of the Design.

There is ample testimony in the record as to Herman's conception of the invention. The affidavit of John Graf supports the conception by Herman of the design of the invention of the patent in suit. [R. 46-47.] Maurice Lazarus testified to the development of the design of the cage of the patent in suit by Herman. [R. 49-50.]

D. The General Proportions and Appearance of the Design Are Nonfunctional.

There can be little question that the attempt of Appellants to claim functionality of the design elements of the patent in suit is not well founded in view of the large number of prior art cages cited by Appellants in the record and differing substantially in appearance from the appearance of the cage of the patent. The design patent in issue is a rare one in which the configuration of all of the elements of the design is strictly arbitrary and the appearance thereof has no relationship whatsoever to function.

IV.

The Bond Required of Appellee Was Adequate in the Premises.

The Appellants have protested the amount of the bond but it should be pointed out that the Appellants base their position on the ground that Appellant Pacific Cage and Screen Co. was doing such a large business in the manufacture of the infringing cages. However, when said Appellant posted its bond to stay execution of the preliminary injunction, it only made a bond of One Thousand Dollars. The amount of the bond in a preliminary injunction is entirely within the discretion of the Court. (*Urban v. Knapp Bros. Mfg. Co.* (C. A. 6, 1954), 217 F. 2d 810, 815.)

V.

The Preliminary Injunction Was Aptly Worded in the Light of the Patent to Which It Applied.

In the preliminary injunction on the patent in suit, the Court clearly defined the design taught in the patent in issue. [R. 76.] It then went on to further define those aspects of the alleged infringing cages which it considered to be similar to the design of the patent. The Appellants were then enjoined against manufacturing and selling infringing cages.

It has been held that the findings of fact and conclusions of law in a preliminary injunction are all preliminary in nature and not to be construed as foreclosing any findings and conclusions to the contrary which may be based upon evidence received at the trial on the merits (*Ross-Whitney Corp. v. Smith, Kline and French Labs. supra.*)

It is submitted that the injunction and the findings of fact and conclusions of law in support thereof were adequate to define the enjoined acts and that the Appellants had a sufficient standard to rely on in avoiding the infringement enjoined.

Conclusion.

It is respectfully submitted that the District Court acted within its discretion in granting the preliminary injunction in issue here. It had before it a flagrant and outrageous infringement of the patent in suit and a voluminous record which enabled it to assay and evaluate the entire position of the Appellants. The Court had an opportunity to review its position on Appellants' motion for new trial [R. 60] and denied the same.

Therefore, it is respectfully submitted that the order of the District Court should be sustained and the patent held valid over the prior art.

Respectfully submitted,

THOMAS P. MAHONEY,

Attorney for Appellee.

Dated: August 13, 1957.

